GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:1378
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Revenue Deficit of India Post
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Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether there has been a revenue deficit in the department of Posts since the last few years;

(b) if so, the details of revenue realization and expenditure along with the reasons for such deficit and the measures taken by the Government to improve the financial position of the department;

(c) whether the Government is considering upward revision of rates of some postal products;

(d) if so, the details thereof, product-wise;

(e) whether the Government is aware of increasing demand of e-commerce parcel centres and proposes to upgrade and establish more e-commerce parcel centres to meet the growing demand of e-commerce sector; and

(f) if so, the details thereof and the time by which parcel centres are likely to be established?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) Yes Madam.
(b) It is fact that there has been a revenue deficit in the Department of Post since the last few year. Revenue realised and expenditure incurred by the Department is shown as under:-
(` in crore)
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Items 2011-12 2012-13 2013-14 2014-15 2015-16
Net Expenditure 13705 14792 16203 17895 18947
Total Revenue 7899 9367 10730 11636 12940
Revenue Deficit 5806 5426 5473 6259 6007
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There are two major components of expenditure- Salary and Pension. More than 90% of the expenditure is incurred on these two components. Besides, Department under Universal Service Obligation is responsible for providing mail and financial services to each and every citizen of India at reasonable and affordable rates. Given the responsibility of providing services to addressees at reasonable cost coupled with ever increasing cost of fuel, AMC, transportation of postal articles including rail and air freight charges etc., there is an impact on the operational cost of postal network. Though, there is ever increasing cost of fuel, AMC, transportation of postal articles including rail and air freight charges etc., the Department of Posts offers its services at the addressee`s doorstep at a reasonable cost. However, there are continuous efforts to limit the expenditure within the budgetary allocations.

Major initiatives taken by the Department for improvement of the financial position of the Department are as under:-

I. The Parcel booking and handling facilities have been upgraded to cater to the increasing e-commerce parcel market.
II. Parcel handling capacity has been augmented by establishment/ up gradation of 57 integrated Parcel Processing Centres and mechanising the pickup/delivery of parcels.
III. Collection of Cash - on − Delivery(COD) facility especially for e-commerce companies has been provided as a value addition to the Speed Post and Express/Business Parcel.
IV. Online Track and Trace system for Speed Post has been strengthened. In addition to the website of the Department of Posts (www.indiapost.gov.in), the status of an article can also be tracked through an android based mobile application.
V. The facility of Short Messaging Service (SMS) has been provided for giving the delivery status of an article.
VI. National Account facility has been introduced under Speed Post and Express/ Business Parcel for contractual customers.
VII. Provision has been made for packaging, shrink-wrap facilities, secure plastic seals at selected locations.
VIII. Application Programme Interface (API) has been provided to the contractual customers for real time information.
IX. Same day/ next day delivery of e-commerce articles in select cities has been started.
X. Railway tickets are being sold through post offices under an agreement signed with the Ministry of Railways. Presently this service is available in 343 post offices across India.
XI. Government of India has introduced Sovereign Gold Bond scheme (SGB) in the Union Budget 2015-16. During the six tranches issued in last and current financial year, 96215 Sovereign Gold Bond applications for Rs.81.40 crore were collected through Post Offices across the country.

XII. Department of Posts in association with Ministry of Agriculture has started distribution of high yielding seeds and dissemination of information on new farm technologies to farmers through the village Post Offices in 14 states.
XIII. Tie-ups have been made with Railway Recruitment Boards, CBSE and various universities/institutions etc for collection of their examination fee through Post Offices.

In sum, all these above initiatives would go a long way to fetch more business and generate more revenue.

(c) & (d) The revision of rates of postal products is an ongoing exercise and carried out from time to time to improve the revenue of the Department of Posts.

(e) and (f) Yes, Madam. Department of Posts has a focussed approach to fulfill the needs of the e-Commerce sector and parcel delivery, to increase its revenue receipts. As part of its strategy to provide parcel delivery and handling solutions, Department of Posts has upgraded its service offering and the Parcel booking and handling facilities are upgraded to cater to the increasing e-Commerce market. During the period 2013-14 to 2015-16, 57 e-Commerce/Parcel Booking Centres have been established and infrastructure of the Parcel centres has been upgraded. Moreover, Upgradation of infrastructure is a continuous and ongoing activity.